

forwarded to the initiating State within 2 business days of the date of receipt by the SDU in the responding State, in accordance with § 303.7(c)(7)(iv).

(2) Amounts collected by the IV-D agency on behalf of recipients of aid under the State's title IV-A or IV-E plan for whom an assignment under sections 408(a)(3) or 471(a)(17) of the Act is effective shall be disbursed by the SDU within the following timeframes:

(i) Except as specified under paragraph (b)(2)(iv) of this section, if the SDU sends payment to the family (other than payments sent to the family from the State share of assigned support collections), the SDU must send these payments within 2 business days of the end of the month in which the payment was received by the SDU. Any payment passed through to the family from the State share of assigned support collections must be sent to the family within 2 business days of the date of receipt by the SDU.

(ii) Except as specified under paragraph (b)(2)(iv) of this section, when the SDU sends collections to the family for the month after the month the family becomes ineligible for title IV-A, the SDU must send collections to the family within 2 business days of the date of receipt by the SDU.

(iii) Except as specified under paragraph (b)(2)(iv) of this section, when the SDU sends collections to the IV-E foster care agency under § 302.52(b)(2) and (4) of this part, the SDU must send collections to the IV-E agency within 15 business days of the end of the month in which the support was received by the SDU.

(iv) Collections as a result of Federal tax refund offset paid to the family or distributed in title IV-E foster care cases under § 302.52(b)(4) of this part, must be sent to the title IV-A family or title IV-E agency, as appropriate, within 30 calendar days of the date of initial receipt by the title IV-D agency, unless State law requires a post-offset appeal process and an appeal is filed timely, in which case the SDU must send any payment to the title IV-A family or title IV-E agency within 15 calendar days of the date the appeal is resolved.

(3)(i) Except as provided under paragraph (b)(3)(ii) of this section, amounts

collected on behalf of individuals receiving services under § 302.33 of this part shall be disbursed by the SDU pursuant to section 457 of the Act, within 2 business days of receipt by the SDU.

(ii) Collections due the family as a result of Federal tax refund offset must be sent to the family within 30 calendar days of the date of initial receipt in the title IV-D agency, except:

(A) If State law requires a post-offset appeal process and an appeal is timely filed, in which case the SDU must send any payment to the family within 15 calendar days of the date the appeal is resolved; or

(B) As provided in § 303.72(h)(5) of this chapter.

[64 FR 6247, Feb. 9, 1999, as amended at 68 FR 25303, May 12, 2003; 73 FR 74919, Dec. 9, 2008]

#### **§ 302.33 Services to individuals not receiving title IV-A assistance.**

(a) *Availability of Services.* (1) The State plan must provide that the services established under the plan shall be made available to any individual who:

(i) Files an application for the services with the IV-D agency. In an interstate case, only the initiating State may require an application under this section; or

(ii) Is a non-IV-A Medicaid recipient; or

(iii) Has been receiving IV-D services and is no longer eligible for assistance under the title IV-A, IV-E foster care, and Medicaid program.

(2) The State may not require an application, other request for services or an application fee from any individual who is eligible to receive services under paragraphs (a)(1)(ii) and (iii) of this section. If an individual receiving services under paragraph (a)(1)(iii) of this section refuses services in response to a notice under paragraph (a)(4) of this section, and subsequently requests services, that individual must file an application and pay an application fee.

(3) The State may not charge fees or recover costs from any individual who is eligible to receive services under paragraph (a)(1)(ii) of this section.

(4) Whenever a family is no longer eligible for assistance under the State's title IV-A, IV-E foster care, and Medicaid programs, the IV-D agency must notify the family, within five working

days of the notification of ineligibility, that IV-D services will be continued unless the IV-D agency is notified to the contrary by the family. The notice must inform the family of the consequences of continuing to receive IV-D services, including the available services and the State's fees, cost recovery and distribution policies.

(5) The State must provide all appropriate IV-D services, in addition to IV-D services related to securing medical support, to all individuals who are eligible to receive services under paragraph (a)(1)(ii) of this section unless the individual notifies the State that only IV-D services related to securing medical support are wanted.

(b) *Definitions.* For purposes of this section:

*Applicant's income* means the disposable income available for the applicant's use under State law.

(c) *Application fee.* (1) Beginning October 1, 1985, the State plan must provide that an application fee will be charged for each individual who applies for services under this section. Under this paragraph:

(i) The State shall collect the application fee from the individual applying for IV-D services or pay the application fee out of State funds.

(ii) The State may recover the application fee from the noncustodial parent who owes a support obligation to a non-IV-A family on whose behalf the IV-D agency is providing services and repay it to the applicant or itself.

(iii) State funds used to pay an application fee are not program expenditures under the State plan but are program income under § 304.50 of this chapter.

(iv) Any application fee charged must be uniformly applied on a statewide basis and must be:

(A) A flat dollar amount not to exceed \$25 (or such higher or lower amount as the Secretary may determine to be appropriate for any fiscal year to reflect increases or decreases in administrative costs); or

(B) An amount based on a fee schedule not to exceed the flat dollar amount specified in paragraph (c)(2)(iv)(A) of this section. The fee schedule must be based on the applicant's income.

(v) The State may allow the jurisdiction that collects support for the State under this part to retain any application fee collected under this section.

(2) In an interstate case, the application fee is charged by the State where the individual applies for services under this section.

(d) *Recovery of costs.* (1) The State may elect in its State plan to recover any costs incurred in excess of any fees collected to cover administrative costs under the IV-D State plan. A State which elects to recover costs shall collect on a case by case basis either excess actual or standardized costs:

(i) From the individual who owes a support obligation to a non-IV-A family on whose behalf the IV-D agency is providing services under this section; or

(ii) From the individual who is receiving IV-D services under paragraph (a)(1) (i) or (iii) of this section, either directly or from the support collected on behalf of the individual, but only if the State has in effect a procedure for informing all individuals authorized within the State to establish an obligation for support that the State will recover costs from the individual receiving IV-D services under paragraphs (a)(1) (i) and (iii) of this section.

(2) A State that recovers standardized costs under paragraph (d)(1) of this section shall develop a written methodology to determine standardized costs which are as close to actual costs as is possible. This methodology must be made available to any individual upon request.

(3) The IV-D agency shall not treat any amount collected from the individual as a recovery of costs under paragraph (d)(1)(i) of this section except amounts which exceed the current support owed by the individual under the obligation.

(4) If a State elects to recover costs under paragraph (d)(1)(ii) of this section, the IV-D agency may attempt to seek reimbursement from the individual who owes a support obligation for any costs paid by the individual who is receiving IV-D services and pay all amounts reimbursed to the individual who is receiving IV-D services.

(5) If a State elects to recover costs under this section, the IV-D agency

must notify, consistent with the option selected, either the individual who is receiving IV-D services under paragraphs (a)(1) (i) or (iii) of this section, or the individual who owes a support obligation that such recovery will be made. In an interstate case, the IV-D agency where the case originated must notify the individual receiving IV-D services of the States that recover costs.

(6) The IV-D agency must notify the IV-D agencies in all other States if it recovers costs from the individual receiving IV-D services.

(e) *Annual \$25 fee.* (1) A State must impose in, and report for, a Federal fiscal year an annual fee of \$25 for each case if there is an individual in the case to whom IV-D services are provided and:

(i) For whom the State has collected and disbursed to the family at least \$500 of support in that year; and

(ii) No individual in the case has received assistance under a former State AFDC program, assistance as defined in §260.31 under a State TANF program, or assistance as defined in §286.10 under a Tribal TANF program.

(2) The State must impose the annual \$25 fee in international cases under section 454(32) of the Act in which the criteria for imposition of the annual \$25 fee under paragraph (1) of this section are met.

(3) For each Federal fiscal year, after the first \$500 of support is collected and disbursed to the family, the fee must be collected by one or more of the following methods:

(i) Retained by the State from support collected in cases subject to the fee in accordance with distribution requirements in §302.51(a)(5) of this part, except that no cost will be assessed for such services against:

(A) A foreign obligee in an international case receiving IV-D services pursuant to section 454(32)(C) of the Act; and

(B) An individual who is required to cooperate with the IV-D program as a condition of Food Stamp eligibility as defined at §273.11(o) and (p) of title 7;

(ii) Paid by the individual applying for services under section 454(4)(A)(ii) of the Act and implementing regulations in this section, provided that the

individual is not required to cooperate with the IV-D program as a condition of Food Stamp eligibility as defined at §273.11(o) and (p) of title 7;

(iii) Recovered from the noncustodial parent, provided that the noncustodial parent is not an individual required to cooperate with the IV-D program as a condition of Food Stamp eligibility as defined at §273.11(o) and (p) of title 7; or

(iv) Paid by the State out of its own funds.

(4) The State must report, in accordance with §302.15 of this part and instructions issued by the Secretary, the total amount of annual \$25 fees imposed under this section for each Federal fiscal year as program income, regardless of which method or methods are used under paragraph (3) of this section.

(5) State funds used to pay the annual \$25 fee shall not be considered administrative costs of the State for the operation of the title IV-D plan, and all annual \$25 fees imposed during a Federal fiscal year must be considered income to the program, in accordance with §304.50 of this chapter.

(Approved by the Office of Management and Budget under control numbers 0960-0253, 0960-0385, 0960-0402, and 0970-0107)

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#### § 302.34 Cooperative arrangements.

The State plan shall provide that the State will enter into written agreements for cooperative arrangements under §303.107 with appropriate courts, law enforcement officials, Indian tribes or tribal organizations. Such arrangements may be entered into with a single official covering more than one court, official, or agency, if the single official has the legal authority to enter into arrangements on behalf of the courts, officials, or agencies. Such arrangements shall contain provisions for providing courts and law enforcement officials with pertinent information needed in locating noncustodial parents, establishing paternity and securing support, to the extent that such information is relevant to the duties to